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APPROACH TO RURAL DEVELOPMENT*

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CONTENTS

		page
I.	Introduction	1
II.	Development experience	3
III.	Current thinking	11
IV.	Concluding remarks	15

I. INTRODUCTION

This paper attempts at discussing the nature of institutional constraints in the process of the development of the rural areas of South Asia today. It is important to remember at the beginning that, unlike the problems in the fields of industrialization and foreign trade, the problems of rural development cannot be adequately discussed in terms of economy-wide macro variables. Even within a country of South Asia today different geographical areas are experiencing widely different economic compulsions and are operating under different configuration of socio-political forces. For examples, the Indian States of Punjab and Bihar show such widely different rural scenes that social scientists find it difficult to construct a meaningful model of rural economy, which could have a great deal of operational meaning for both the areas. Even within Bihar, the development problems of the northern region are not similar to those of its southern region. Therefore in a brief article, it would be impossible to attempt anything like a comprehensive coverage of the various problems of rural development faced by the different countries of South Asia. Nor would it be possible to attempt a survey of the various schemes of rural development initiated by governments or non-governmental agencies in all the countries of South Asia.

But, nonetheless, the countries of South Asia have much in common. They share a great deal of historical past; they emerged as politically independent nations[1/] after the Second World War under the leadership of elite groups, who had a great deal in common in terms of intellectual background and political perceptions. Therefore, it is hoped that a selective survey (without any conscious attempt at being 'equitable', among the Nation-States) can bring out certain essential features of the problems of rural development for the entire South Asian region.

Rural economy has many facets. Of course, in any analytical exercise one needs to simplify. When the countries of South Asia embarked on State-aided (commonly, called 'planned') developmental efforts in the 1950s, the rural sector became almost synonymous with agriculture and allied activities in models of investment allocation for expanded commodity production. In such policy-models, the development problem of any sector inevitably gets

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1/ Although Nepal remained an independent Kingdom during the colonial era its strong linkages with the sub-continent did not allow any truly independent socio-economic development.

posed in terms resource availability and resource use. But at the same time it was also realized that "the success of technological reforms, designed primarily to increase cultivated acreage and raise agricultural yields through variations in techniques and the input of capital hinges largely on the extent of prior, or at least simultaneous institutional changes. In fact, the two types of agricultural reforms - the technological and the institutional - have tended to be compartmentalized in public discussion and policy formation, both during the colonial era and since independence."[2/]

Moreover, over the years, these countries have been forced to look beyond the question of merely trying to increase commodity production into the related questions of income generation and income distribution. This is not merely because of a greater appreciation of the issues of distributive justice in these highly unequal and poor societies. There is also a greater appreciation of the fact that in a mixed economy and increase in commodity production needs to be supported by an increase in demand and a growth of purchasing power for the relevant consumer groups. Therefore, there is also a growing fear that even the growth process currently experienced by certain categories of farmers in certain selected area might get stunted for lack of effective demand.

Thus a recent report on rural development in Asia brought out by the Asian Development Bank states clearly: "It is important to affirm that the seed-fertilizer innovations are neutral to scale, but the fact remains that the large farmers and land-owners have benefited disproportionately from their introduction. The way in which the benefits of increases in farm income generated by technological innovations are shared is the outcome of complex interactions between the nature of the technological change, rural institutions and economic policies which affect the distribution of resources and the operation of product and factor markets. One obvious fact has been that large farmers have often been able to use more fertilizers and more of other yield-increasing and labour-saving inputs owing to the institutional environment which gives them more favourable access to credit and inputs needed to obtain higher productivity. If the institutional environment has tended to concentrate the benefits within a favoured sub-sector of the farm population, the bias of the technology in favouring certain physical environments, as observed in the previous chapter, has been more pronounced. The report goes on to say, "the

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2/ G. Myrdal, Asian Drama, vol. II, p. 1,260.

net effect of the interaction between technological, institutional and economic factors has been that the impact of the new technology has by-passed a large segment of the population. The reasons for this are complex and are related not only to the kinds of institutional constraints discussed in this chapter, but also to the problem of lack of effective demand and underemployment, and to the weak linkages between sectors.3/

II. DEVELOPMENT EXPERIENCE

It is important to remember that the concern for distributive justice, basic needs and the need for institutional and organizational efforts for rural development is nothing new. In the early 1950s, India launched its much publicized Community Development Programme to promote agricultural extension, co-operation and local self-government. Pakistan's Village Aid Programme had broadly similar scope. The goals of the Community Development Programme were best expressed by the first deputy chairman of India's Planning Commission, V.T. Krishnamachari.

> "There should be a definite plan for each village devised so as to suit its conditions. Within this, all families should have programmes of improvement of their own for which they are assisted and should become members of co-operatives in their own right. The co-operative should see that from year to year the members save enough to provide all the short-term capital needed in the village for agricultural operations. The village panchayat and co-operative should review progress from season to season and take steps to ensure that the highest level of production possible is reached. Special attention is also necessary to the building up of community assets by the voluntary labour of villagers during their spare time." 4/

A large number of specialized officials were recruited and trained to man this programme throughout the country. A large number of credit co-operatives were set up in order to free the peasants from the usurious money-lenders. During the late 1950s the approach to community development was modified. The social and the cultural aspects of the programme were de-emphasized and the improvement of agricultural productivity became its most important objective In the process of promoting agricultural productivity emphasis gradually shifted to fertilizers and improved seeds.

There are several well-known evaluation reports on this programme - both official and non-official. As early as 1957, the official evaluation

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3/ Asian Development Bank, Rural Asia, 1977, p. 83.
4/ V.T. Krishnamachari, Planning in India, 1961.

report on the working of the community projects states "the non-owner classes have not got the status that possession of land alone can give them, land redistribution still remains in the realm of thought and discussion. Land reforms in the direction of ceilings on holdings, consolidation of holdings, giving of land to the landless labourers, and co-operative farming are all still to be achieved in most of the evaluation block areas .... The result of this is that while some people are undoubtedly benefiting from the development programme and improving their economic and social conditions, these usually belong to those sections in the village who were already somewhat better off than their fellow villagers."5/

As regards working of the credit co-operatives, the basis of a study conducted in 1960-61 that "the share of credit obtained by cultivators, shows a progressive increase with the size of the holding. Only about fifteen per cent of the credit has gone to members having 5 acres or loss as against 39 per cent to those with 5-10 acres and 46 per cent to still larger cultivators."6/ There was evidence to show that in many instances co-operative credits were cornered by money lenders, whose grip on the small peasants did not loosen. Daniel Thorner reported after a field study in India: "in case after case among the best co-operatives, the leadership turns out to be the trader-money-lender."7/

The outcome of the experiments with the community development programme was not surprising. In the highly stratified and unequal rural societies of South Asia, it was not surprising that the benefits of the developmental efforts should have been cornered by the rich and the powerful. But in reality, the actual impact of the various policy measures was to aggravate the existing inequalities and to further consolidate the position of the elite groups. In evaluating the impact of the agricultural extension programme, Gunnar Myrdal wrote, "the agricultural extension service got a vigorous start at a moment when the peasant landlord group had been strengthened by the elimination of the intermediaries. At least some of the members of this politically influential group - mainly those who cultivated the land themselves - learned that money can be earned by the modernization of agriculture

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5/ Government of India, The Fourth Evaluation Report on Working of Community Projects and N.E.S. Blocks.

6/ Planning Commission, Study of Utilization of Co-operative Loans, 1965.

7/ Daniel Thorner, Context for Co-operatives in Rural India.

and that liberal aid can be obtained from the government for this purpose. Having absorbed that lesson, peasant landlords are less disposed than ever to agree that their holdings should be broken up for the benefit of less fortunate villagers. Because it preceded rather than followed the completion of land reforms, the extension programme has impeded ceiling legislation, tenancy reform, and attempts to foster co-operative farming."8/

By mid-1960s, India virtually gave up the idea of promoting all-round rural development in the country. The drought and the consequent famine of 1965-66 was a watershed in official thinking India. After that the main focus of government policy became to promote agricultural productivity wherever favourable preconditions existed. There were a number of special programmes designed for less favourable areas and poorer target groups; for example, Drought Prone Area Programme, Marginal Farmers and Agricultural Labour Programme, etc. But the main emphasis of official policies was to help the better-off areas and the 'progressive' farmers to increase crop outputs.

In Pakistan, the Village Aid Programme of the 1950s was conceived more or less along the lines of the Indian Community Development Programme; but it never became more than anything but a weak movement. After Field Marshal Ayub Khan came to dominate the scene, the Village Aid Programme was replaced by a highly ambitious programme called 'basic democracy' which was supposed to be a system for local self government. The representative bodies of basic democracy formed the basis for electing indirectly the national assembly and the President. Some economic programmes, such as the Works Programme, were entrusted to the basic democracies, but the strategic importance of these bodies was that these could form the military regime's political instrument to control the countryside. Therefore, understandably, nobody took the stated objective - namely to create a democratic and participatory framework for promoting rural development - of basic democracy seriously.

But at that time a highly significant experiment with rural development was initiated in East Pakistan (now Bangladesh) somewhat independently by Akhtar Hameed Khan. His Comilla experiment had official support but managed to retain a great deal of autonomy and initiative. The project was a co-operative movement designed to serve middle and marginal farmers. There was already a co-operative movement in the country, called Union Multi-purpose

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8/ Gunnar Myrdal, The Asian Drama, vol. II, p. 1,345.

Co-operative Societies, which was providing credit to the rich farmers. These societies were largely dominated by the rich farmers who used their control of these societies to expropriate public funds by defaulting on loan repayment. The Comilla experiment was based on a two-tier co-operative system: the village level Krishi Samabay Samiti (KSS) and the Thana level Thana Central Co-operative Association (TCCA). The purpose of the co-operatives was to promote broad-based rural development primarily through the adoption of the Green Revolution technology. The co-operatives operated on several fronts: (a) distribution of high yielding varieties of seeds and fertilizers, (b) extension of crefit, (c) installation of tubewells, pumps, tractors, harvestors and other modern agricultural implements, (d) extension services to spread know-how about modern techniques and equipments and (e) construction of drainage system, bunds, roads and other infrastructural facilities.

The rich farmers at first tried to oppose the creation of the new co-operative system, but later on decided to join these bodies to corner the resources of these organizations.[9/] The result was what had to be expected. A subsequent survey brought out the following picture: "a study of 32 managers of village co-operatives ... shows that 17 of them held more than 5 acres of land, another 8 held between 3 and 5 acres, while only 7 held between 1 and 3 acres of land (none held less than 1 acre or more than 9 acres). The average size of their holdings in Comilla Thana is 1.86 acres .... In a study of four successive managing committee of the ACF, it was found that, of 12 elected members in each committee, the number having farming as their only occupation fell gradually. It was 8 in the first committee, 5 in the second committee, 3 in the third committee and 2 in the fourth. Those who were farmers as well as contractors, on the other hand, had no representation in the first committee, but they were in simple (though not absolute) majority in the last committee, with 5 members .... It should be mentioned that contracting is a full time job, and if these people were farmers they must have been very casual ones.

It was also found that managing committee members were getting an inordinate share of total loans. Of 30 members who responded to a questionnaire, 11 were managing committee members, and they consumed 65 per cent of all loans issued to these 30 ... 67 per cent of the overdue loans were defaulted by Directors of managing committees".[10/]

/Khan

9/ According to the co-operative laws, nobody could be excluded from membership.

10/ Bangladesh - FAO - UNDP Workshop on Problems of Small and Marginal Farmers and Landless Labourers, Area Workshop Comilla. A Summary of Problems.

Khan himself after a tour of the area was alarmed by the sabotage operation. He said, "Historically the old co-operative system was captured by influential people and they castrated it by wilful default. The same sort of people want to perform the same operation on the new co-operative system. They are powerful and well informed. They know that the old sanctions (certificates, notices, pressure by officers) are now dead, and they can repudiate their obligation with impunity. If the new co-operatives are to be saved from mischievous defaulters, the other members, the majority of small farmers, for whom co-operative credit is the only means of escape from the clutches of the moneylender traders, must create new sanctions. They must learn to control the disruptors by developing a new set of rules of 'bichar' and 'shasti', a kind of 'members court'".11/

In the 1970s, the Comilla experiment tried to remove some of the inadequacies of the earlier two-tier co-operative system by launching the Swenirvar movement by bring together development officers and the leaders of the local government along with the co-operatives. Presumably, the idea was that the official participation would tilt the balance against the dominant rich farmers. But, it seems, over time the bureaucracy has tended to work in collusion of the rich to defeat the purpose of the innovation.

It is useful to contrast the Comilla experiment with another movement started in 1973 in Bangladesh - The Rangpur Self-reliance Movement. The movement was initiated by a government official - the District Agricultural Officer of Rangpur - as a pilot project in the village of Kunjipukur. The village society had one important structural advantage in that the land-ownership was relatively egalitarian. The philosophy of the movement was that exploitation comes from dependence and, therefore, proper rural development had to be based on total self-reliance and an encompromising rejection of outside help even in the face of acute scarcity. The organization of the movement came from a Krishi Brigade of peasants elected at a mass meeting. The first task of the self-reliance movement was to propate the repayment of all outstanding loans previously taken by the peasants from the official credit schemes. The Krishi Brigade organized construction of infrastructural facilities like road, irrigation channels, pits of organic manure by voluntary labour. They organized literacy programme,

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11/ A.H. Khan, "Town of twenty thanas", Bangladesh Academy of Rural Development, Comilla, 1971.

schemes of family planning, vocational training and public health, procurement and distribution of agricultural inputs. They instituted a 'peoples' court' to settle local disputes, reformed the share-cropping rules, and organized collective bargaining as well as the allocation of the landless labourers in the different farms.

Whatever may have been the developmental impact of the Rangpur experiment so far, the important thing to note is the organizers' faith in total self-reliance. They feel that unless outside assistance - governmental or international - is totally rejected as a taboo, local energy cannot be mobilized and the co-operative spirit cannot be fostered. Any system of distribution which links the needy with the outside source of supply inevitably degenerates into a scramble for cornering the privileges and generates over-all frustration and cynicism among the peasants. They feel that only by a stoical adherence to the principle and self-reliance the spirit of co-operation, which is the only way to promote rural development can be fostered.

Sri Lanka's experience with agricultural reform and rural development is highly instructive. In contrast to India and Pakistan, in the 1950s and the 1960s. Sri Lanka did not rely on its bureaucracy to carry out its land reform and agricultural development programmes. The administration of tenancy legislation was placed in the hands of elected local committees in which the peasants had three-fourths of the seats and the landlords, one-fourth . Even though the initial experience was rather disappointing, because many tenants abstained from voting for fear of reprisal by landlords, these Cultivation Committees (C.C) slowly acquired status and responsibilities - the major tasks of planning and implementation of agricultural development at the village level were entrusted to these committees.

In addition to these cultivation committees, another set of participatory bodies were set up to implement the various schemes of the government in the field of distribution, marketing and credit. These institutions called Multi-purpose Co-operative Societies (MPC) were constituted as elected bodies in the beginning. Moreover, a set of voluntary organizations - Rural Development Societies (RDS) - came up to organize multipurpose community development activities. These were also elective bodies.

These elected bodies, no doubt, came to be dominated in many places by vested interest groups from the rich peasantry. There were several instances of these privileged groups controlling these bodies and acting in a discriminatory manner against the interests of the under-privileged.

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But judged by the South Asian Standards, these bodies - particularly the C.C.'s - did excellent work in the 1960s in promoting rural development through agricultural planning and extension work.

But unfortunately for the growth of participatory, decentralised democratic processes, the trend of political development in Sri Lanka was not helpful. Sri Lanka was slowly moving towards the establishment of a welfare state. The target groups of beneficiaries for the welfare state were organized labour and lower middle classes. The development strategy adopted by the country had a strong Statist bias. While the free rice programme, public distribution system, free education, free health care system, guaranteed price schemes and the extension of agricultural and social services served the short-run interest of the lower income groups, the thrust of the strategy effectively destroyed all incentives for agrarian reform and rural development initiated by participatory local bodies. Perhaps, it was felt that the various colonization schemes initiated to develop large areas of certain river basins in the dry zone would provide gainful exployment to an ever increasing number of landless labourers and small farmers in these newly created prosperous agricultural settlements. The efforts of the State in promoting area development through irrigation and infrastructural activities were quite impressive. But efforts in this field were accompanied by a gradual elimination of the elective principle from the C.C's and APC's and a slow transfer of the decision-making authorities in the rural sector from the elected bodies to civil servants and political functionaires of the State. By mid 1970s the C.C's, APC's, MPC's, DDC's were reconstituted in such a way that nominated ex-officio functionaries controlled these bodies. Voluntary organizations like the RDS's suffered slow death.

The new government apparently wants to revive the RDS's and local government bodies by holding fresh elections; but the C.C's and APCs have been disbanded and their functions have been entrusted to "village cultivation officers." It seems the promise shown by Sri Lanka in evolving a participatory democratic process for rural development and agrarian reform in the 1950s and the 1960s has suffered a major set back.

The organizational set-up for rural development in the Kingdom of Nepal had a chequered history over shadowed by domestic and international political developments. In the 1950s each district had a District Development Committee under the chairmanship of an official called Bada Hakin (big chief). While the function of the Committee was limited to making financial allocation to public works programmes, the organizational base for rural

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development was at the Village Development Centre. These centres were established in a few places, each one covering a fairly large area. Each centre was manned by a small team of junior technicians in the fields of agronomy, animal husbandry, health etc. A contingent of Village Development Workers (VDW's) was appointed at each VDW covering a group of ten or twelve villages. VDW's acted as contacts between the centre and the village development committee.

At first, these centres were managed by American Managers assisted by Nepali Co-managers. Overtime, Nepali District Officers took over the management from the American Managers. After 1958, the Indian Assistance Programme took over the responsibility of implementing rural development Schemes in certain selected areas. Along with the Indian assistance came some of the ingredients of the Community Development Programme as well as the management practices involving Block Development Officers (BDO's) and Block Advisory Committees. Eventually like the Americans in the earlier phase, the Indians withdrew from the scene, when the king initiated the new system of partyless Panchayat democracy.

The new Panchayat system envisaged a layer of village panchayats covering approximately a population of two thousand each and town panchayats in selected urban areas together with another layer of seventy five district panchayats consisting of representatives from village and town panchayats. A scheme of decentralizing power to the panchayats was drawn up. Village Development Workers were renamed as Panchayat Development Worker (PDW), and the BDO's renamed as PDO's. At the centre a separate ministry of Panchayat was set up.

But in actual practice, only limited planning function was delegated to the district or the village levels. The national programmes were disaggregated at the centre into their regional components and passed down to the lower level bodies for implementation. At the level of implementation also, the separate jurisdiction of the sectoral departments were more or less retained. In case of local self-help projects (e.g. minor irrigation or drinking water) the Ministry of Panchayat made annual ad hoc grants to the district panchayats, which in turn distributed the money to the village panchayat to meet certain specified proportion (mostly 50 per cent) of the project outlay.

As regards the proposed scheme of decentralization, chief district officers and other civil servants successfully resisted the move to put them under the control of elected district panchayats. It seems, a large

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number of administration reforms were tried, but nothing in the nature of a genuine devolution of power took place. Therefore, it is not surprising that, in spite of the existence of a large number of special projects and area development plans, there is hardly any worthwhile attempt at local level planning in Nepal today.

III. CURRENT THINKING

In the last section, we have discussed briefly the new thinking on rural development going on in Sri Lanka. With new governments coming in, both Pakistan and India are thinking in terms of new ideas in this field.

The Fifth Five Year Plan (1978-83) of Pakistan lists "development of rural areas" at the top of its list of objectives (five in number) of the plan. In elaborating on this objective the plan says that "development of rural areas will receive priority. This will be attained through various programmes and policies. Provision of critical inputs and improvement and streamlining of extension services offered to the farmers will lead to increases in productivity, incomes and living standards. Simultaneously, the programmes of widespread exclusion of social services such as schooling, health and drinking water will primarily benefit the presently deprived rural areas".[12/]

Even though the plan mentions the need for co-ordinating "policies, projects and programmes that are to be undertaken at the national level" with "the efforts to be made at local level," there is not much said about the framework of any multi-level planning effort. The plan notes the fact that at present no representative system of local government exists in the country. The staff of the Basic Democracies (District Council and Union Councils) have been diverted to the IRDP and FWP programmes. But nonetheless, the Plan makes a forceful case for the creation of a new institutional framework to support its rural development strategy. "Community participation in the development effort is an essential ingredient in achieving rural development objectives. ..... Active involvement of the people in rural decision flows, and organizational structures ensures better implementation and accountability. Local democracy will, therefore, have to be the corner-stone of the new institutional framework being proposed for rural development in the Fifth Plan .... Local institutions must build up some rudimentary capacity in project planning and preparation to lay a sustainable basis for the ultimate evolution of local planning organizations".[13/]

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12/ Government of Pakistan, The Fifth Five Year Plan (1978-83), June 1978.

13/ Ibid., pp. 188-189.

The Plan goes on to suggest two alternative systems - the first a two-tier and the second a three-tier system - for consideration. But in the proposed set-up, civil servants are supposed to head the councils at the different levels. It is arguable as to how much devolution or decentralization, necessary for activating popular participation, is possible under these schemes.

As in Pakistan, the new Draft Five Year Plan (1978-83) of India also assigns top priority to rural development. Along with the recommendation for the allocation of a large volume of resources to the rural sector, the Draft Plan makes suggestions for a change in the planning process as well as for organizational reform. By recommending an integrated approach for rural development it says, "the comprehensive approach would incorporate elements such as technology, institutions and services, which are required for improved and modernized agriculture. In the development of the infrastructure and other services, due care will be taken to safeguard the interests of the small and marginal farmers and agricultural labourers and ensure that the facilities earmarked for them are made available to them in full measure. For this purpose, this section of the population would be given due representation and voice in the institutions catering to their needs. Area planning and employment planning would be undertaken at the local level for integrated development with popular participation".[14/]

The Plan recommends a new institutional set up for channelling credit to the rural poor. "The poorer sections must be able to get their reasonable requirements of credit for credit-worthy occupations at reasonable rates of interest and easy terms of repayment of capital loans. The multi-purpose primary co-operative with the necessary facilities to do all this will be the type of rural structure which will be the main unit for this programme. Such units should be formed on the lines of the Farmers' Service Societies or the large sized Multi-purpose Societies (LAMPS) in the developed areas and the backward areas respectively. Meanwhile rural branches of the commercial banking system or the regional rural bank system should purvey such multipurpose credit to the areas with weak co-operative coverage or areas where the demand for credit is high".[15/]

In suggesting a new approach to planning, the Plan says, "a major effort will be made to formulate area specific plans at the grass root

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14/ Government of India, Draft Five Year Plan 1978-83, 1978.

15/ Ibid., p. 151.

level. With this in view, it is proposed to formulate comprehensive block level plans and identify programmes for development of the area which aim at making full use of the local endowments. To be successful, a block level plan will have to be in harmony with the district and the State Plan. The district plan will take into consideration the block level micro-plans and give the necessary district level supporting infrastructure and tie up the co-ordination aspects between departments, institutions and organizations. The district level planning, monitoring and evaluation units should be developed in all States so that integrated rural development planning is also done at the district level".[16/] It goes on to say that "in the district level planning process, it is necessary to involve the elected institutions for development in the district, the financial institutions for development in the district, the financial institutions and public representatives with sufficient understanding of the local socio-economic milieu, so that the plans may be practical and suited to the local conditions. The block level planning will have to be evolved with the co-operation of the block authorities and the elected representatives at the block level, if any. The Plan will have to follow generally the format and guidance at the national level. The block level planning unit will have to take into consideration the productivity levels to be attained in the area and the employment levels to be reached in the guidelines generally given by the State and the district planning authorities for the same.[17/]

The Indian planners note the weakness of the land reform and other redistributive measures adopted in the past in relying on the bureaucratic machinery to implement these measures. Much of the proposed benefits did not reach the poor because of the influence of the vested interests on the administrative machinery. For land reforms, the Draft Plan recommends that their implementation should be responsibility of village committees with adequate representation of the potential beneficiaries. It is recommended that these committees should have powers to correct land records, identify true surpluses and to draw up redistribution plan for each village. Furthermore it is proposed that these redistribution plans should be implemented subject to one appeal to be dicided upon by tribunals within a fixed time.

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16/ Ibid., p. 155.

17/ Ibid., p. 160.

The most novel suggestion of the Draft Plan concerns the organization of the poor. It says, "critical for the success of all redistributive laws, policies and programmes is that the poor be organized and made conscious of the benefits intended for them. Organized tenants have to see that the tenancy laws are implemented. Organizations of the landless have to see that surplus lands are identified and distributed to them in accordance with the law within five years. Local leaders of the poor have to ensure that all area plans and sectoral plans designed for the benefit of their localities and target groups are effectively administered. The general lesson of the experience so far is that because of leakages in delivery systems and ineffective administration, rural programmes fail to improve the distribution of income. The Planning Commission is proposing a massive shift of resources in favour of rural areas with an in-built redistributive character in almost every programme. But whether the larger resources will have the desired equalizing effect will depend on the extent to which the organized pressure of the beneficiaries counteracts the weaknesses of the administration and the opposition of vested interest".[18/]

In order to create a suitable framework for decentralizing the process of planning and the implementation of plan projects, a high powered committee - The Committee on Panchayati Raj Institutions - was set up under the Chairmanship of Mr. Asoka Mehta, a former deputy chairman of the Indian Planning Commission. The Committee submitted its report in August 1978. In its report, the Committee recognized that in a diverse country like India the precise organizational set up may vary from region to region. But whatever maybe the variations, the report was unequivocal about the need for linking institutions of democratic decentralization with socially motivated economic development.

The Mehta Committee came to the conclusion that the democratic decentralization of the country's administrative structure requires that a substantial amount of power should be transferred from the State government to the local bodies. They also present a tentative list of items which can be better planned and better managed at the local level. The list includes agriculture, small irrigation, fishery, forestry, marketing, public health, water supply, lighting, assistance to handicrafts and small industries, soil conservation, farmers' training, family welfare, welfare of backward classes, etc. The general philosophy behind the scheme of

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18/ Ibid., p. 15.

devolution is that for every activity there is an appropriate level at which information can be collected, popular participation ensured, and planning and implementation effectively co-ordinated.

The Committee envisaged a three-tier structure below the State level, the Zila Parishad, Taluka Board and Mandal Panchayat, but allowed for the possibilities of regional variations in the proposed hierarchy. It is important to note two areas in which committees did not go far enough in suggesting a viable decentralized structure. In a note appended to the Report, one member, Mr. E.M.S. Namboodiripad made two important points. First, in order to create a viable decentralized system, a change in the division of power between the centre and the States would be required. Secondly, the Committee made a distinction between the 'regulatory' and the 'developmental' functions of government and recommended that only the developmental functions may be entrusted to the Panchayati Raj Institutions at the local level. One can argue that the nexus of regulatory power cannot remain separated from the decision-making bodies concerned with the development programme. Hence, if a credible and self-reliant dicision-making body has to emerge at the local level through popular participation, it should have much of the regulatory powers of self-government.

IV. CONCLUDING REMARKS

The development experience of the last three decades brings out clearly a number of important lessons concerning the development problems of the rural economies.

1. Policy measures adopted by the government and essentially administered by civil servants of the concerned ministries and departments can achieve results up to a point and only in certain directions. In the field of the distribution of inputs and credit at subsidized rates it certainly helps the farmers who are in an advantageous position to increase farm outputs and incomes. Small and marginal farmers - particularly in dry areas or in areas where privately-owned tubewells are the main sources of irrigation - cannot take much advantage of these policies. The market forces tend to favour mechanization which prevents the benefits of higher productivity in progressive farms to trickle down at an adequate rate to the landless labourers. Even in the field of relief distribution or rural works programme, the collusion among the contractors, rural oligarchs and officials prevents the intended benefits to reach the target groups - particularly in backward areas. The aims of the various land reform legislations enacted in the different places have been similarly frustrated in the process of implementation.

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There is also evidence to show that the strategy of promoting rural development through regulations from the top and by bureaucratic control has actually led to a worsening of the distribute of income and a consolidation of position of the vested interests. Therefore, there is a fair degree of consensus today regarding the need for creating participatory local institutions which can make plans for an integrated development of the area. It is clear that at the local level information is easily collectable and the potential beneficiaries of any development scheme can easily identify the sources of hindrance in the implementation of the scheme. It is also clear that attacking the problem of rural development through a multitude of sectoral programmes administered by remote control can become wasteful and counterproductive.

2. There is also a consensus among social scientists that the spirit of co-operation and self-reliance have to form the basis of any meaningful effort for rural upliftment. Otherwise, the projects in the field of agricultural or rural development sponsored by national or international agencies often degenerate into a scramble for cornering gifts from outside. This prevents the growth of any long-run perspective, necessary for tackling the development problems of the rural community. Therefore, the organizers of the Rangpur experiment (in Bangladesh) have stoically refused to accept any outside assistance. But the roots of the problem lie in the absence of autonomy at the local level and the discretionary manner in which the government at the higher level typically functions. If the projects are formulated at the local level by local people, and if the assistance from above is given on the basis of explicitly formulated rules (rather than bureaucratic and political discretion), then there is no reason why in a decentralized, participatory process a local community should not be able to take advantage of its rightful share of resource transfers from above.

3. The problem of ensuring distributive justice in any democratic process is a serious one. In any unequal society, the rich and the powerful have a variety of ways of intimidating the poor in safeguarding their interests. In rural communities, the problem is much more serious than in urban-industrial complexes. Some social scientists go to the extent of asserting the impossibility of any genuine redistributive measure to succeed unless the gross inequality in asset distribution is removed. In a village community the basic soutce (and symbol) of power is the ownership of land. A whole range of economic, social and cultural norms over centuries have supported this unequal power structure based on

land ownership. The experience of Japan, People's Republic of China, and the Republic of Korea - countries with widely differing policitcl system - brings out clearly the importance of land reform (and the consequent breakdown of the old power structure) in the process of economic development. Whether any country following a gradualist approach can achieve genuine land reform is a moot question. But one thing is clear and it is that unless the responsibility of reform is brought down to the village level dicision-making bodies which have adequate representation of the landless, no genuine reform will be possible.

Whether any of country of South Asia will succeed in transfering genuine power and the responsibility for rural development to lower levels and create a decentralized, participatory framework for future progress is going to be most exciting question of the coming decade. Even if any of the countries succeeds in reforming its political and administrative structure in this direction, no one should believe that overnight the power balance everywhere would shift in favour of the poor. In fact, given the age-old structure of power balance, one should expect that a large number of local self-government bodies will be dominated by the old oligarchy and the vested interests. Only through the process of the actual exercise of political power, the poor can organize themselves and learn to fight effectively for their share of prosperity. No simple formula or bureaucratic measure can replace this essentially political processes. But one thing is clear, and it is this: the claims of the political and the bureaucratic elite at the national level that only they can safeguard and promote the interest of the rural poor against local oligarches is a dangerous nonsense.